

MEMORIAL

OF

A. FITCH, (IN BEHALF OF FITCH, BROTHERS, & CO.,)

IN RELATION TO

Their agency as navy agents at Marseilles.

FEBRUARY 5, 1845.

Referred to the Committee on Naval Affairs.

MARCH 4, 1845.

Committee discharged, and memorial and documents ordered to be printed.

To the honorable the Senate of the United States:

The undersigned respectfully asks leave to memorialize your honorable body, and to set forth wrongs which he believes he has experienced and grievances of which he complains.

In the month of December, 1833, the undersigned, in behalf of his house at Marseilles, (Fitch, Brothers, & Co.,) entered into a contract with the Navy Department, to receive in this country two hundred thousand dollars per annum, to be paid over in quarterly instalments, in advance, and to pay the same over at Marseilles, for the use of the American squadron in the Mediterranean, to such officers, or on the requisitions of such officers, as might be authorized to receive it. The same was agreed to be paid in Spanish pillared dollars, in consideration of a premium and compensation of four and three-fourths per cent., which included all commission, allowances, contingencies, and every species of service and expense whatever, of my house, either as contractors, agents, or in any other capacity.

It will be seen by Senate Document No. 392, 28th Congress, 1st session, pages 69, 70, that, prior to the department entering into this contract with me, it invited propositions from large negotiators for the performance of the same duties. These tenders varied from six to nine per cent. premium, with the exception of Baring, Brothers, & Co., which was the same as my own, five per cent. In the same document, (page 71,) it will be seen, in a report made by the Fourth Auditor to the Secretary of the Navy, that he says "the average time of advances are somewhat longer in Mr. Fitch's proposition than in that of the Barings, but the mode and the time of payment proposed by the former correspond better with the convenience of the service than that of the latter." He added: "I should say, that if equal terms are offered by Mr. Fitch, a preference should be given to him, because he is an American, and has a house at Marseilles, *which is the resort of American travellers, and of the officers of the navy visiting that port.*" Eventually, I modified my proposition, and entered into the contract, *as offered to me*, at the stipulated premium of four and three-quarters per cent.

In a postscript to the report, the Fourth Auditor stated, that "it might be proper to add, that the expense at present of furnishing money to our squadron, delivered in the port of Marseilles, including the commissions of the agents, has, by a critical examination, been found to be from eight to eight and a half per cent."

On the 9th day of December, 1833, the undersigned received from the Navy Department the first quarterly advance under the contract, of \$50,000, which would be due and payable in Marseilles in March, 1834. Under date of the 25th February, 1834, (p. 49,) Commodore Patterson, then in command of the squadron, wrote my house that he had then just received from the Navy Department the arrangement entered into with it to supply the squadron with money, and closed by saying he wrote in great haste, and would embrace the earliest opportunity to write more fully in detail. Under date of the 27th, same month, (p. 51,) Commodore Patterson again wrote my house. After regretting the late date at which he received official information of the arrangement entered into between the department and my house, on which he could act, as it precluded his ability to afford them the previous notice before funds would be required for the squadron under his command, inasmuch as it is necessary they should be ready in all respects to proceed on service by the 1st of April next, which affords but thirty days—he then proceeds to say that "I have now the honor to enclose you requisitions for the funds that will be required by the several vessels of the squadron for six months from their respective dates, *and without which their operations the ensuing summer will be very greatly interrupted, and their usefulness much circumscribed.* As I cannot require these several sums of right under less notice than specified in the contract, I can only say, that the receipt of the amount of the requisitions (or, if the whole amount cannot be furnished, as large a portion *pro rata* as you can conveniently supply) will be an important convenience to the public service, by enabling the ships to proceed on service at as early a date as the 1st of April; for, if obliged to wait the expiration of the time allowed by the contract, (viz: sixty to ninety days from this date,) much of the best of the season will be wasted before they can proceed on their respective stations. It is therefore requested, as a great convenience to the public service of this squadron, to be furnished with the amount of the several requisitions, and not as a claim of right under the contract, before the expiration of the notice specified therein, and must depend upon your good disposition and convenience to further the public service and interest."

Under date of March 5th, (Senate Document 392, p. 53,) my house wrote to Commodore Patterson, acknowledging the receipt of his letter of the 27th ultimo, in which they said: "We are using every exertion in our power to meet your wishes in collecting money, and assure you we shall always be ready to make every effort for carrying them into effect for the benefit of the public service."

"We must, however, again take the liberty of calling your particular attention to the peculiar circumstances and difficulty, at this moment, for providing, at so short a notice, a sum so greatly exceeding that of \$50,000, to which our obligation is limited by the terms of the contract."

"Independently of the usual necessity of time required in a place of this sort for collecting a sum of any importance in foreign coin, there exists just now a demand and consequent scarcity of Spanish money never

equalled, being most eagerly bought up, in a great measure, for the United States, on account of the crisis in money affairs in that country.

"Under these various important obstacles, which unavoidably obstruct our operations, we cannot say, with any possible certainty, to what extent they may be attended with success, and must confine ourselves to the assurance of exercising our utmost endeavors."

On the 24th May, covering duplicate of a letter of the 30th of April, 1834, my house forwarded to the Navy Department various receipts and requisitions, for which the money had been by them paid, amounting to the sum of \$198,550, which had been furnished in Spanish pillared dollars, up to that day, to the squadron under the command of Commodore Patterson; which sum they said, though but recently paid over, had been "mostly on hand and ready since the beginning of March last, when we were led to expect a vessel for it." The advance of this large sum, adding thereto what had previously been paid, left my house under an actual cash advance of \$194,031 12.

In consideration of the great advance in the premium of Spanish pillared dollars, in consequence of so large a demand at so very short notice, as a recompense in part, Mr. Upshur allowed us \$2,369 71 as extra premium. But then the sacrifice on premium which Fitch, Brothers, & Co. were subjected to, was to a far greater extent, and is exclusive of the important advance in money, made by them to the Government of the United States, which was not refunded to me in this country, in full until several months thereafter, and then had to be remitted to Marseilles. This advance was made at a time when, owing to the deranged state of monetary affairs in this country, money was for a considerable period worth from three to four per cent. per month on good commercial paper.

In regard to the services rendered by my house in these important transactions, Commodore Patterson, (page 54, Document 392,) under date of the 21st February, 1838, addressed to the Secretary of the Navy, after referring to certain letters of his to the department, explaining "the causes leading to the wants of the squadron at the time I was advised of the appointment of Messrs. Fitch, Brothers, & Co., as navy agents, and the consequent large amount of funds required of them, at a much shorter notice than stipulated in their contract," remarks: "In addition to which, I will add, that the promptness with which all my calls upon that firm for funds were met, was highly beneficial to the public service, enabling me to carry into effect without delay the orders of the Navy Department, and to afford that protection to our commerce which was one of the chief objects of my command."

It being found, by experience, that the quarterly advance of \$50,000 would not meet the wants or convenience of the navy, it was agreed that the advances should be \$100,000 semi-annually, in lieu thereof, which was endorsed on the contract on the 18th November, 1834, and an additional security of one hundred thousand dollars entered into by me, in behalf of my house.

The preceding gives a brief statement of the services the house of the undersigned rendered the public service and the country during the first few months after they had entered into the contract referred to with the Government. Whether their action was confined to mere selfish, sordid, and mercenary considerations, or whether they were animated by the more lofty considerations of patriotism, and a desire to add to and promote

the usefulness of the public service, the undersigned leaves it to your honorable body to determine, through the character of the transactions themselves. Whether other houses might not have been found, who, under like circumstances, would have incommoded themselves, at a period when the monetary affairs of the country were in a state of utter derangement, for the sole purpose of promoting the public service, and in effect preserving public credit abroad, is a matter which the undersigned will not allow himself to hazard an opinion upon.

Subsequently to the transactions already referred to, matters moved on regularly, and, as the undersigned believed, to the satisfaction of both parties—he receiving from the department the sums, at the periods stipulated for their advance, and forwarding them to his house at Marseilles, which disbursed them on the requisitions of the proper officers of the squadron as they were presented.

In the latter part of March last, this state of things was interrupted, and the intercourse that had so long existed between my house and the department was broken off.

The undersigned arrived in this city from New York, and immediately thereafter (on the 23d of March) addressed the President of the United States a letter, beginning thus :

“SIR: On my arrival in this city, I was astonished when I was informed, for the first time, that my house in Marseilles (Fitch, Brothers, & Co.) was about to be superseded in an agency which it has held for several years past.”

A few days afterwards a communication that had been addressed to me at New York, from the Navy Department, was returned to me here. That letter was dated the 20th March, 1844, and signed “L. Warrington, Secretary of the Navy *ad interim*,” from which I make the following extract :

“A new arrangement having been made by the Executive, for the business of the agency of this department at Marseilles, I would respectfully advise you that your connexion therewith as navy agents will be considered as dissolved from and after the 31st of the present month.”

In the letter which the undersigned addressed to the President, already referred to, (Document 392, page 59,) it is stated that “it has been the pride of myself and my brother at Marseilles at all times to sustain, by every means in our power, the honor and credit of our country. The doors of our private residence there, for thirty years past, have always been open to all the officers of the navy, and all others of our countrymen whose business or whose gratification in travelling brought them near us. Notwithstanding all these truths, we have not escaped the efforts of the designing, envious, and jealous, to dislodge and supersede us in the agency under the contract. Representations were made to the department in regard to the amount of money that had remained in the hands of my house, the advantage that had accrued from it in the way of interest of \$90,220 78, as well as an erroneous charge of \$34,187 32, as having been allowed us for commissions received; the whole of which were investigated by order of your friend, the lamented Upshur, and the report that was made was not only condemnatory and disapproving the allegations, but complimentary to my house.” In the same letter I stated that I understood that a new set of charges were about to be preferred against my house, and probably from the same quarter, and with the same object in view as the previous ones. I also remarked, that if the agency

was withdrawn from my house without good cause, it was calculated to do great injury to a commercial establishment, however strong it might be, and to wound the feelings of the agents. I therefore respectfully asked of the President, that no action should take place in the appointment of a person to supersede my house in the agency at Marseilles, until I should have had an opportunity of meeting and rebutting whatever charges may have been made, and be still pending, against its honor, integrity, and fair dealing, in all its transactions with the Government.

In the same letter I remarked: "I make this request under the full belief that, in the spirit of justice which I am sure controls all your actions, you will accord it to me. The desire that my house should retain the agency arises neither from mercenary motives nor pecuniary interests. The same spirit and motives animate us now that prompted us to make the advances already referred to, by which the credit of the country was sustained in a quarter in which the naval service was thereby enabled to continue in uninterrupted duty. The same spirit and motives actuate us now, in this matter, that induced the undersigned, at a period when the head of the Treasury Department was under apprehensions lest the operations of the Government would be stopped for the want of means to carry it on, to volunteer to be one of ten individuals to raise the amount said to be necessary to avert such a calamity. It was the same motives that induced the undersigned, when that same officer expressed fears of not being able to raise the means of paying the interest on part of the public debt, to offer and actually to make provision to supply him with such means for that purpose, if necessary. That such offers were made, is within the knowledge of the present Treasurer of the United States, and to the truth of which Mr. Forward (were he here) could bear witness."

On the morning of the date of the letter addressed to the President, the 23d of March, the undersigned had a personal interview with him. Some of the remarks made by him on that occasion may be seen in the following extract of a letter I addressed to the Secretary of the Navy, under date of the 30th of same month, (Senate Document 392, page 29,) viz: "There is now going the rounds of the newspapers a statement purporting to be a conversation between the President and myself at the first interview I had the honor to have with him after my arrival in this city. It is there represented that the President informed me that "there was a little discrepancy in your account of *one or two hundred thousand dollars*, as appears from the different accounts rendered by *two* different officers of the Government.

"I infer one of the accounts alluded to is a report made out by order of the late Mr. Upshur, while at the head of the Navy Department, on charges preferred against Fitch, Brothers, & Co., in a series of false statements of their account current with the Navy Department made out by a Mr. Dakin, of New York, which were fully investigated, and found to be utterly groundless.

"The other statement or examination, the President said had been made recently, and was then in his possession. This latter statement the President informed me he should refer to you, as soon as you entered on the duties of your office.

"After the interview with the President referred to, I addressed *him* a letter, representing the great injustice that had been done my house by

superseding it in an agency it had long held, and, I now assert, honorably and satisfactorily to the Government executed the duties thereof, on statements of which we had no notice, and which we had no opportunity to examine, correct, or refute. I have as yet received no reply from any quarter to that letter.

"The charges to which I have referred, although fabricated by a person named Dakin, I have since learned, that, when he presented them to the department, he was accompanied by Mr. A. G. Benson, the person who has now been selected to supersede my house in the agency, and who, at that time, took great interest in sustaining his friend Dakin, who appeared as the person who then aimed at filling the place, in the event that my house was superseded."

To prove the supposition in the last paragraph above, the letter of C. H. Winder will be found, (at page 61,) in which he says: "Mr. S. D. Dakin, of New York, came to my room in the Navy Department, accompanied by Mr. A. G. Benson, and handed to me the statement above referred to; at that time Mr. Dakin spoke of it as his statement. I so understood it to be, and so did Judge Upshur." And (page 62) W. W. Russel says: "Mr. Dakin and Mr. Benson came to the Navy Department, and handed Mr. Winder some statement of the accounts of the Messrs. Fitch, as navy agents at Marseilles. Which of the two gentlemen handed Mr. Winder the statement, I am unable to say. The statement was examined by Mr. Winder, in connexion with the accounts of the Messrs. Fitch, and reported on by him to the then Secretary of the Navy.

"I was clerk in the Navy Department at the time, and occupied the same room with Mr. Winder."

On the 30th March, after the undersigned had despatched his letter of the same date, quoted from above, he received from the President the following letter, dated 30th March, 1844, (Senate Document, 392, p. 61:)

"SIR: In reply to your communication, under date of the 23d instant, the President has instructed me to assure you that he should experience great concern, if any injury has been inflicted on the firm of 'Fitch, Brothers, & Co., of Marseilles,' by the appointment of another agent for the Government at Marseilles.

"The appointment, after full consideration, has been made, and cannot now be reversed.

"The President directs me to say, also, that your accounts will be examined by the Secretary of the Treasury, (supposed Navy,) *and that full justice will be done.*

"JOHN TYLER, JR.,

"*Private Secretary.*

"MR. FITCH."

At page 62, Senate Document 392, will be found the statement made by Mr. Dakin in relation to Fitch, Brothers, & Co.'s account with the Navy Department. This gentleman, it may be remarked, although wholly unconnected with the Government, appears to have had full access to the archives of the Navy Department, so far as the accounts of Fitch, Brothers, & Co. were concerned. After giving a long table of statistics, Mr. Dakin says: "The balance of the account, certified by the Navy Department, on file, is \$103,538 90 due to the United States.

"In taking a hasty abstract, I have made some slight error of \$3,150; in the total, this is not material. The amount of interest on these accounts, received by Fitch, Brothers, & Co., is \$90,220 78, in addition to their commissions.

"The above-mentioned account embraces a period of three years and six months and eighteen days, and proves conclusively, when properly investigated, that Messrs. Fitch, Brothers, & Co., have enjoyed the use, on an average, *during the whole of this time*, of \$430,000 of the public funds, drawn from the Treasury for long periods in advance of the wants of the public service, taken in large sums, when there were no demands upon the agency, *in esse* or in expectancy, and held to their private use, without allowing the Government a single cent for the interest of money so unnecessarily appropriated.

"A reference to the statement will show the remarkable fact, that, between the 27th November, 1838, and the 18th October, 1841, the enormous sum of \$671,415 74 was drawn for by them on the Treasury, as if for the use of the agency, while during that whole period (three years) the agency required only \$22,434 59; or, at any rate, only that small sum, by their own showing, was paid by them for its account.

"It is observable, also, that these large amounts were so drawn out of the Treasury before the late administration went out of power, and a considerable part of it only a few days before; whereas the only sum drawn during the present administration was taken just previous to a large demand on the agency, which apparently justified it.

"It is also to be remarked, that the account is so made up, and balances so struck, as to conceal these facts from a cursory observer, and to leave the impression that the Government was usually in advance only about \$100,000."

These allegations, made by this Mr. Dakin, impute the intention to my house of committing actual frauds, and bears quite as heavily on the head of the Navy Department, and some of the accounting officers, as they do on the undersigned or his house.

This anonymous statement of Fitch, Brothers, & Co.'s accounts with the Navy Department, it now appears, was first referred to the Fourth Auditor of the Treasury Department, A. O. Dayton, Esq., and reported upon by him, (pages 27 and 28, Senate Document 392,) and some time subsequently handed over to Mr. C. H. Winder, a person having no connexion with the fiscal concerns of the department, and especially appointed by Secretary Upshur, to re-examine and report thereon. His report will be found in Senate Document 392, page 25. In this report he refutes every thing alleged against Fitch, Brothers, & Co., by Dakin, in his statement. He says: "The assertion in the statement, that it required only \$22,434 59 to meet the expenses of the United States squadron in the Mediterranean for three years, is so preposterous, that one word of comment would be an insult to your understanding. The sum of \$834,067 03 was paid by the agents at Marseilles, upon the requisitions of commanders, from the 26th of March, 1838, to the 19th of November, 1842—making about \$208,506 75 per annum. This statement is from the purser's accounts." Again, he remarks: "After a full and careful examination of the affairs of this agency for the period referred to, the only breach of contract or irregularity that I can discover has been on the part of the Government, in not constantly keeping the agents in funds to meet the public liabilities, owing either to

a want of funds, or a retard in the passage of appropriation laws by Congress. This cause operated from November, 1841, to August, 1842; during which time, the agency seems to have met all the demands of the squadron with punctuality and cheerfulness; and this, too, in a time of great moneyed distress."

This report concludes: "The statement I have quoted involves allegations of a serious character, not only against the agents, but also against the accounting officer of this department; to sustain which, I cannot discover the slightest shadow of proof. On the contrary, the accuracy and regularity of the accounts reflect the highest credit both upon the agency and the Fourth Auditor."

Recurring to the first report by the Fourth Auditor (pages 27, 28, Document 392) on this anonymous statement of Fitch, Brothers, & Co.'s account with the United States for the period therein specified, though not bearing his signature, it is admitted at the department to have been prepared by him. At the foot of a statistical table he makes these remarks, (in his own handwriting:)

"It appears, by the above statement, that, between the 27th November, 1838, and the 18th October, 1841, during which period the anonymous writer says Fitch, Brothers, & Co., drew for \$671,415 74, and paid but \$22,434 59, requisitions were issued in their favor for \$500,000; and that they paid on account of the United States \$617,322 13; making a balance on their side of \$117,322 13.

"It further appears, that from the 14th of June, 1838, to the 24th of November, 1841, in addition to a balance on hand at the former date of \$120,255 12, requisitions were issued in their favor for \$650,000—making, together, \$770,255 12; and that their disbursements on account of the United States were \$707,605 03; leaving a balance against them of \$62,650 09."

On the back of this last report is the following endorsement, by Mr. Upshur, Secretary of the Navy:

"This statement will show you the errors into which a man may suffer himself to be betrayed, when he is looking out the means to turn another man out of office, in order that he may get into it. Fitch, Brothers, & Co., are oftener in advance to us than we to them, over and above the sum stipulated to be advanced by us.

"A. P. U."

It might have been reasonably supposed, that after such a severe rebuke as was given by Mr. Upshur, and after such overwhelming refutations of the statements fabricated by the parties seeking to turn my house out of the agency, that they might get into it, delicacy, if no other consideration, would have arrested further efforts to accomplish their object. On the contrary, the repulse, instead of retarding their schemes, seems to have given a new impulse to their ravenous appetites. New modes are resorted to for the purpose of discovering some flaws which will furnish pretexts, and give a foundation for the desired action.

At page 11, Document 392, is a letter of D. Henshaw, Secretary of the Navy, dated February 5, 1844, addressed to S. A. Allen, Esq., Navy Department, in which he says: "The President is desirous that the accounts of the Government with Fitch, Brothers, & Co., be thoroughly examined, to ascertain the average amount of Government money they have had in

their hands, *a statement of an interest account*, and the commissions and emoluments they have derived from the business; and you are requested and directed to make the necessary examinations, and report directly to the President."

Under date of the 27th February, 1844, (Senate Document 392, page 15,) Mr. Allen makes his report to the President, and concludes with the following summary: "From the foregoing compend, it appears that the average amount in the hands of the agents, covered by balances in favor of the United States, in five several statements, is something over \$183,000; that the aggregate balance of interest, as nearly as could be estimated from data on hand, in favor of the United States, is \$65,874 74; and that the commissions and emoluments they have derived from the business amount to the sum of \$84,829 73, in the first nine years of the agency."

In his researches, Mr. Allen appears to have made this extraordinary discovery, which is introduced into his report. He says: "In their account current, submitted under date of October 12, 1836, the amount of requisition No. 9,711, issued May 12 of that year, is not credited to the department, while that of a subsequent date appears to its credit. Had the former been included, it would have shown a balance in favor of the United States of \$100,000 more than it actually represents." This statement or examination, made by Mr. Allen, was the one which the President alluded to, probably, in my interview with him, when he said it had been recently made, and was then in his possession. And it was on this statement also, it is to be presumed, he grounded the assertion he made to me, that "there was a little discrepancy in your account of one or two hundred thousand dollars, as appears from the different accounts rendered by *two* different officers of the Government," which was communicated to the Secretary of the Navy in a letter dated the 30th March. (Senate Document 392, page 29.)

The undersigned respectfully asks your honorable body particularly to note how fragile was the basis on which the representation rested, and how it was removed—that there was a discrepancy in the accounts, as before stated. The statement or report of Mr. Allen was referred by the President to Mr. Secretary Mason, and Mr. Samuel D. Baker was appointed by him to examine into all the facts, and report upon them. This he did under date of the 29th April, (page 34;) and, in relation to the \$100,000 omission to be credited reported by Mr. Allen, Mr. Baker reports that, "upon referring to the account rendered by Fitch, Brothers, & Co., on the 12th of October, 1836, and filed in the department, I find that Fitch, Brothers, & Co., had, at the time referred to, (October 12, 1836,) credited the United States with the sum of \$100,000, the same being according to requisition No. 9,711; so that Mr. Allen labored under a mistake when he declared to the contrary in his report to the President of February 27, 1844." Nor was this all. On the same day that Mr. Baker made his report, Mr. Allen addressed a communication to the Secretary of the Navy, (page 24,) of the most humble and apologetic character, in which, after referring to the charge in his report to the President of an omission on the part of Fitch & Co. to credit the Government the sum of \$100,000, he says: "Permit me to assure you, sir, in the most sincere manner, that I am equally astonished and mortified to say that this statement is apparently wholly void of foundation in truth, and I rejoice in contradicting its spirit."

The charge, it will be recollected, was made on the 27th of February, and was not withdrawn or refuted until the 29th of April, more than two

months thereafter; giving time sufficient for the imputation to have reached the remotest parts of the European continent, and of so serious a character as to affect the credit and standing of any commercial house with those to whom they were not particularly known, however high their credit or unbounded their capital.

The final examination of the accounts relating to the transactions of Fitch & Co. with the Government, as has already been stated, was referred by Secretary Mason to Mr. S. D. Baker, who says, (Senate Doc. 392, page 34:) "The agents at Marseilles have in *every instance* supplied the wants of the Government in the Mediterranean, when in fact they were not bound to do so according to contract. I have not deemed it necessary to prepare an interest account in the business transactions between the Navy Department and the house of Fitch, Brothers, & Co. I have, however, paid great attention to that subject in the course of my investigations; and upon assuming that the Government, in accordance with its agreement with Fitch, Brothers, & Co., was to be in advance to them \$50,000 per quarter to 18th November, 1834, and \$100,000 semi-annually since that time, I have no hesitation in declaring that the balance of interest is in favor of Messrs. Fitch, Brothers, & Co."

Mr. Baker concludes his report with the following summary: "After a most careful and critical examination of the account between Messrs. Fitch, Brothers, & Co., embracing a period of nearly ten years, I have no hesitation in declaring it as my belief, that, in all the transactions of Fitch, Brothers, & Co., with the Navy Department, they have acted with the strictest honor and integrity, and in every respect have faithfully performed their duty as the agents of the Government."

The present Secretary of the Navy, (Mr. Mason,) under date of the 21st May, (page 34,) referring to a communication from the undersigned, says: "An answer has been delayed by the preparation of statements of your accounts, as navy agents at Marseilles, which were directed by the President. Two statements had been previously made, and, presenting results materially variant, a direction was given to me, soon after I entered on the duties of the department, to cause a re-examination of the accounts; and I now transmit you a copy of its results, with a report on the subject, made by S. D. Baker, Esq., at my request. Upon this statement great reliance is placed, and I am happy to believe that it removes all appearance of discrepancy, and shows that the transactions of your house with the department have been fair and honorable, and that no injury to its character ought to result from the measures that have been taken in regard to that agency."

After the result of this investigation, which resulted in satisfying the Secretary of the Navy of the extreme injustice which had been done my house in the examinations made into their accounts with the Government by Mr. S. D. Dakin and by Mr. S. A. Allen, and the wrongs it had sustained by the reports that had been circulated and gone abroad, founded on those examinations, the undersigned believed the time had then arrived when the pledge given him by the President, in his letter of the 30th March, would be redeemed, viz: "*that full justice will be done.*"

In this, deemed by the undersigned, reasonable expectation, he was doomed to meet with disappointment. Finding, to his own satisfaction, that neither redress was to be obtained nor justice accorded from the quar-

ter whence the wound had been inflicted, the undersigned addressed the Secretary of the Navy a letter, under date of 24th May, (Senate Doc. 392, p. 46,) in which, after acknowledging the receipt of his of the 21st, enclosing the report of Mr. Baker, he said: "A statement having gone forth, and been widely circulated, as having come from the President, that there was *a discrepancy of one or two hundred thousand dollars* in the accounts, the public were left to infer that the circumstance thus stated was the cause of my house being discontinued in its agency, and others being appointed in its stead.

"It now appears the discrepancies alluded to had their foundation, in part, in statements or communications made to the President (probably for insidious designs) by an individual out of doors, having no connexion whatever with the department, and partly by the errors of an individual employed in the department, to whom the late Secretary (Mr. Henshaw) assigned the duty of preparing an accurate statement of the accounts between my house and the department.

"The wide circulation that has been given to the unfounded and ingenious representations referred to has inflicted a deep wrong, and seriously affected the character and credit of my house.

"However satisfactory your letter is to me individually, yet I am constrained to say, as unpleasant as the step is to me, that, for the purpose of redressing, in part, the injuries that have been inflicted, I am now left with no other mode than to give as great publicity to the whole matter as can be obtained through the action of one branch of Congress."

For the purpose of showing your honorable body the evil consequences to the house of the undersigned, through the examinations permitted to be made into the accounts at the department by S. D. Dakin, A. G. Benson, & Co., their report thereon, already referred to, (page 62,) and other supposed secret machinations resorted to for the purpose of accomplishing the object in view, that my house might be turned out of its agency, to enable one of them to get into it, the following extract of a letter from Commodore Charles Morgan, then in command of the squadron in the Mediterranean sea, is given. It will be recollected that the re-examination of the statement of Dakin, &c., was made by Mr. Winder the 9th of January, 1843. Commodore Morgan says: "As well as I recollect, the report of the failure of the house of Fitch, Brothers, & Co., reached me at Genoa, about the last of February or first of March, 1843; the positive time seems unimportant. It was, however, about the period that these agents should be informed of my intention to draw on them for a supply of funds for the ensuing six months. I *immediately* addressed a note to the agents, informing them that I should draw for \$125,000, and that it would be called for by the 1st of April, 1843. A reply by the return of mail assured me that the funds should be in waiting by the appointed time. In preparing the requisition, about the latter end of March, I found it necessary to draw for \$142,000; which additional sum I feared might detain the ship for a week, as Spanish dollars and gold were difficult to purchase about that time. The ship, however, made no delay, and returned to the squadron, after fulfilling other duties.

"It was not the mere expressions of the Marquis Paulluci, Governor General of Genoa, in reference to the failure of our agents at Marseilles, (which report, being in circulation, was confirmed by Mr. Lester, the American consul, and others, that gave importance to it,) but the fact of so in-

jurious a report of a commercial establishment being universal at Genoa, and consequently elsewhere on the coast of the Mediterranean.

"In reference to the injury done to the house, by a report of its failure, I am unable to judge of it. I should think it, however, no trifling matter to derange the business of so extensive a commercial establishment as the one alluded to, check its foreign negotiations, &c., besides throwing it out of its routine of duty, until the truth could be re-established in the different parts of the world in which the report had been spread."

Here is given the unvarnished opinion of a man wholly unacquainted with commercial affairs, and whose home has always been on the deep, as to the evil consequences of a report of the character to which he bears testimony, which was circulated to the prejudice of my house, and which must have had its origin and grown out of the statements and reports of Dakin & Co.

Credit, all commercial men know, is the tenderest plant that has existence. Cast but the breath of suspicion over it, and it instantly withers. Slander, too, flies on the wings of the wind, while truth follows tardily after, yet seldom if ever reaches the extreme limits to which the former has travelled. Impair the credit of a great commercial establishment, and it receives a shock that requires a long period of time to overcome.

After having made an appeal to the honorable the Senate of the United States, the undersigned, under date of the 1st of June, addressed the Secretary of the Navy as follows: "I am informed that two documents, one a letter written by S. D. Dakin, dated the 27th February last, addressed to the President, and the other the original statement of Fitch, Brothers, & Co.'s account with the department, furnished by him, have been misplaced, and are not to be found. This statement was reported upon—first by the Fourth Auditor, A. O. Dayton, Esq., and afterwards by Mr. C. H. Winder; and a reference is made to the letter by Mr. Baker, the gentleman appointed by you to examine into the accounts of Fitch, Brothers, & Co.

"In the frequent conversations with the late Mr. Upshur, as well as more recently in an interview with yourself, these papers were referred to as original papers prepared by Mr. Dakin.

"From the fact, as I am informed, that Mr. Dakin now asserts that he has not furnished any statements of the kind alluded to, it becomes important, for the purpose of vindicating my veracity, as well as the furtherance of the ends of justice, that these papers should be communicated, with others, to the Senate, under a call made by that body on the department."

Not receiving any reply, the undersigned again addressed the Secretary of the Navy on the 6th of June, reiterating the substance of that of the 1st, and referring to other papers which he understood were not to be found.

Under date of the 14th June, (Senate Document 392, page 65,) the Secretary replied to both the above-named letters. In that letter he said: "An anonymous paper, purporting to be a statement of your transactions, is transcribed by Mr. Winder, in his report made under the direction of Mr. Secretary Upshur. The original seems never to have been noted or filed as a part of the records of the Navy Department. Another anonymous statement, without address or date, is supposed to be the report of the Fourth Auditor, alluded to in your note of the 1st instant, and is among the papers of the department." "Several papers, consisting of one or more letters and statements, which had been in the hands of Mr. Baker while engaged in making the examination, and which had been addressed

to the department, or referred to it, so as to place them on its files, were returned to the President, to whom they were addressed, and to whom belonged the right of supervising the transactions of your house as agents, and terminating at his pleasure its agency."

To this communication of the Secretary of the Navy, the undersigned replied, under date of the 17th of June, in which he said: "That papers, or any paper, which have been made the subject of official action, and been in the hands of four different individuals officially appointed to examine and report thereon, can be regarded as *anonymous*, is to me a matter of no small surprise; the more so, when the books and papers of the department must have been spread open to the individual, to examine the transactions and accounts of Fitch, Brothers, & Co. with the department, who prepared and furnished the *anonymous* statement referred to. I allude to that made out by S. D. Dakin, (or, at least, in his handwriting, which is well known)—an individual wholly unconnected with the department.

"That surprise is not diminished when I see that a report made out by the Fourth Auditor, by direction of the Secretary of the Navy, and endorsed by him as the report of that officer, is also regarded as an *anonymous* paper.

"The supposition you have expressed in regard to these papers, that they are wanted 'for purposes merely personal to yourself,' I admit, in part, to be the fact; I desire to defend the character of my house in Marseilles from the aspersions that have been cast on its good name and character, and to expose the base means which designing individuals have resorted to, for the purpose of accomplishing their designs. Nor can I entertain the supposition for a moment, that you will be surprised that I am desirous of being possessed of these papers, *now* considered anonymous, when I state that it was to them, as I suppose, the President alluded, when he communicated to me the information that my house had been superseded in its agency at Marseilles; remarking, at the same time, that there was a *discrepancy of one or two hundred thousand dollars in our accounts.*"

In the order of Mr. Henshaw to Mr. Allen to make out the account of Fitch, Brothers, & Co., which was given by order of the President, he was directed to make out an interest account. This had also been done in the statement made by Dakin. Thus, the President was the first to recognise and establish the principle of an interest account on the transactions between the house of Fitch, Brothers, & Co., and the Government. So varied and so inaccurate were the statements of interest that were made, that the undersigned had an accurate statement made out, based on true commercial principles. This account was communicated to the Secretary of the Navy on the 20th of April, 1844, (Senate Doc. 392, p. 32,) in which I said: "I hand you herewith account current between Fitch, Brothers, & Co., and the Navy Department, beginning with the first sum paid by it to them, and ending in December, 1843, with an interest account made up during the whole period. This shows a balance of interest in favor of Fitch, Brothers, & Co., on moneys actually advanced by that house to the Government of the United States, of \$14,468 19.

"I enclose you a copy of a reconciling account of the Fourth Auditor, which shows that the accounts of Fitch, Brothers, & Co., have been rendered and adjusted up to the present time, with the exception of vouchers wanting for the two small payments to Midshipmen Mason for \$300, and Lieutenant G. Adams, \$600.

"The President, in his letter to me, said, justice will be done the house of Fitch, Brothers, & Co. I respectfully appeal to you to say in what manner justice can be done to faithful agents, whose advances to the Government have brought it in debt in an interest account, justly and fairly stated, in the sum of \$14,468 19, but by reinstating them in the said agency."

After suffering all the wrongs which have herewith been detailed, and receiving assurances "*that justice will be done*" in the event that it should appear that injustice had been done to my house by the proceedings of the Government, the undersigned awaited patiently the result of such investigations ordered by the President, which completely exonerated Fitch, Brothers, & Co. from all the allegations which had been made against them, or imputations that had been cast on their honor, integrity, and fair dealings with the Government, from whatever quarter they came; yet no action of the Executive took place, whereby his former pledge should be redeemed, by extending to them the immunity of justice.

It became apparent to the undersigned that no such step was intended.

The undersigned had it in his power to have secured redress of injuries experienced, as has been herewith detailed, by withholding, as an offset therefor, the whole amount of funds then in the hands of his house, amounting to about \$108,000. This the undersigned was counselled he would be fully justified in doing, until a judicial tribunal should decide the extent of the wrongs inflicted, the injuries sustained, and its award of damages in consequence thereof. This measure, after mature reflection, the undersigned declined adopting. He neither desired to embarrass the department by withholding so large an amount of its funds, nor to take any step that would not receive the sanction of all candid, impartial, and experienced men. He only desired to secure that which, upon every principle of equity and justice, rightfully belonged to him, and established on the principle of which the Executive himself set the example and gave the precedent. That was, to retain in his hands, from the balance of the sum he had received from the Government, the balance of interest he had already informed the department was in the favor of Fitch, Brothers, & Co., and due to them. Accordingly, in the letter addressed to the Secretary of the Navy, under date of the 17th June, already adverted to and quoted from, the undersigned said: "I also hand you account current with the department and my house of this date, interest account made up to the 12th December last, leaving a balance due the department of \$93,504 01, (ninety-three thousand five hundred and four dollars and one cent,) which it will at all times be ready to disburse, according to the terms of the two contracts existing between the parties."

Under date of the 29th June, the undersigned received, through the Fourth Auditor, A. O. Dayton, Esq., a letter from the Secretary of the Navy, dated the 28th June last, addressed to him, to be communicated to me, to the following purport:

"The contract between the Navy Department and Messrs. Fitch, Brothers, & Co. did not authorize the charge of interest either for or against the contractors. The Government does not recognise any such claim on the part of its disbursing agents, and no demand for any interest would be asserted against them by the Government.

"Without, therefore, inquiring whether the interest account, as now presented for the first time by Messrs. Fitch, Brothers, & Co., be correctly stated or not, it is the opinion of this department that no credit or charge

on account of interest is properly admissible in their account with the department."

To which the undersigned made the following reply, under date, Fitchville, Bozrah, Connecticut, 23d July last :

"SIR: Absence on a visit to Saratoga Springs is the cause of my not having earlier acknowledged the receipt of your letter of the 29th ultimo, the sole object of which was to transmit a copy of a communication to you, under date of 28th ultimo, from the honorable the Secretary of the Navy, respecting the claim for interest upon advances made for the Navy Department.

"I have merely to remark, the conclusion the honorable Secretary has arrived at, in relation to this business, has in no wise changed mine, as expressed in the letter I had the honor of addressing him under date of the 17th ultimo.

"As a further proof of the justness and necessity of establishing this claim by Fitch, Brothers, & Co., (after all that has passed in regard to them and their accounts with the Navy Department,) I will merely refer you to an extract from Mr. Secretary Woodbury's official communication to President Jackson, exclusively relating to this business, viz : *'In respect to the advances made under it (the agency) to the Messrs. Fitch, the President will see by the foregoing writing, and the contract, that the advances are the very foundation of the system. No agent could undertake to raise the money himself, and pay it over there, for five per cent.; but the agreement and basis of the agency were, that the money should be advanced here so long beforehand that it could be safely and prudently remitted to Marseilles, and the specie there obtained, if necessary, and be ready to supply the squadron when it should send for it.'*

"Requesting you will be pleased to make Judge Mason acquainted with this communication, in reply to that from him to you, referred to under date of 28th ultimo, I am, very respectfully, your obedient servant,

"A. FITCH, JR.

"A. O. DAYTON, Esq., *Fourth Auditor,*

"Treasury Department, Washington, D. C."

The undersigned regards many of the arguments of the honorable Secretary's letter as wholly untenable. He had then taken a position from which he was then, as he now is, resolved not to move, until it shall be declared by a high judicial tribunal that he is not rightfully entitled to the amount of interest which he claims, or until the wrongs that have been inflicted on him and his house are redressed in part, by justice being done. In this resolution the undersigned cannot but flatter himself he will be sustained by your honorable body, and receive the approval of all honorable and high-minded men, whose business experience qualifies them to be competent judges.

Had the President been desirous of doing justice to the house of the undersigned, or disposed to redeem the assurance that justice would be done, a full and fair opening offered itself to his action. The agency, from which the house of the undersigned was unceremoniously, causelessly, and unjustly removed, to make place for Mr. A. G. Benson, appears to have become vacant by the rejection by the Senate of that individual to that situation. The failure or omission, on the part of the President, to

restore the house of the undersigned to their former station, on the happening of this opportunity and vacancy, but confirmed the undersigned in the opinion that he had long before come to, that the President had no intention at any time of doing so. It is an old maxim, and true, the undersigned believes, as far as his observation extends, that the most bitter and unrelenting foes men meet with in their path through life are those from whom they have received the greatest wrongs and experienced the deepest injuries. The agency, thus rendered vacant, was reserved for another.

The undersigned had supposed that all the vials of malice, of vituperation, and of falsehood, against his house, had been drained to the dregs, in the hope of finding something to substantiate against their standing, character, and integrity; and that the measure of bitterness and hostility had been fully meted out on their devoted heads. But no; in these reasonable expectations he was doomed to be again disappointed.

Under date of the 16th of October last, the undersigned received from the Secretary of the Navy a letter covering allegations against my house, made by G. Mason Graham, Esq., in some transactions between a nephew of his and my house at Marseilles, which Mr. Graham stigmatized as a "*swindling operation*"—a charge of somewhat a grave character to be made against any one, and one that certainly ought in no case to be made without the existence of strong facts to justify it. The Secretary, in his letter, invited "*such explanation as we may think proper to give,*" which he was assured would be done so soon as I could write to Marseilles, and obtain from thence the facts of the case. As soon as the information was received, the undersigned, on the 14th of January last, communicated to the Secretary a detailed account of all the transactions between his house and the nephew of Mr. Graham, and in conclusion said: "I trust that I have been able to satisfy you that our course of conduct towards this young man has been such as to call for your approbation, instead of being styled a swindling operation, and that we are the aggrieved party. I think, also, that self-respect should call Mr. Graham to retrace his steps, and to recall his unwarrantable and unjust allegation against the integrity, character, and honor of my house."

Under date of the 20th of January, the Secretary of the Navy acknowledged the receipt of this letter, and said: "From the relation of your house to the department, Mr. Graham's communication was placed on file; and, as an act of justice, a copy was transmitted to you; and your reply, which is satisfactory, will also be placed on the files of the department."

The communication of Mr. Graham, containing this serious imputation on the reputation of my house, in their transactions with an inexperienced young man by the name of Mason, a midshipman in the navy, was dated June, 1844. For what reason was it that it was permitted to slumber among the archives of the department from that period until the middle of the month of October, between which time, and before the meeting of Congress, it would be nearly impossible to obtain from Marseilles all the facts, for the purpose of making a full explanation of them? Far be it from the undersigned to make any insinuations or cast any imputations on the motives or acts of any one; but such a grave charge as this remaining on file in the department, unexplained, for such a length of time, would furnish good grounds why the house of the undersigned ought not to be reappointed to the agency, as well as for its rejection, had it been nominated to your honorable body for that purpose. Before the undersigned had time

to enable him to explain away the allegation, another person was nominated temporarily to fill the vacancy and perform the duties appertaining to the agency.

The undersigned has given to your honorable body a faithful detail of his connexion with the Government in as brief a space as it was possible to comprehend it. He has set forth some of the wrongs which it has been the misfortune of himself and his house to experience at the hands of those to whom, if we had acted the part of faithful and honest agents towards the Government, they were bound to extend the arm of protection.

As a co-ordinate branch of the appointing power, and the conservative branch of the Government, the undersigned appeals to your honorable body for a redress of the wrongs and grievances he and his house have experienced and are still suffering under. The undersigned asks simply the immunity of justice. The undersigned is perfectly aware that the appointing power is vested in the Executive, and not in your honorable body. Nevertheless, he believes that it is within the prerogatives of your honorable body to take such action in a case of aggravated wrongs to a faithful public servant as shall lead to a redress of grievances.

The undersigned views this matter, not as a mere individual affair, but one of great national importance, and, as such, desires to impress it on the minds of your honorable body.

The United States, at a great expense, maintain a large squadron of armed ships in the Mediterranean sea, for great national purposes. It is of the utmost importance that the material should always be at its command to enable it to pursue its operations, undelayed and unretarded; else the objects of the Government may be entirely defeated, by the fleet being molested, and their ulterior destination arrested.

It is not merely that the Government places in the hands of its agent for supplying the squadron in that sea, periodically, the sum that the ordinary demands may call for, but it is also necessary that the squadron shall be able to obtain supplies to meet exigencies of an extraordinary character, whenever they occur, or their operations may be retarded for the greatest and best part of a season. Such exigencies have occurred on more than one occasion during the agency of the house of the undersigned, when large advances were called for and made, beyond the amount of the funds belonging to the Government in its hands. Hence will be seen the obvious importance of having an agent who either possesses the means or has the credit to enable him to meet the requirements of the squadron, be they whatever they may.

Nor can the Government be certain that the sum advanced in this country to the agent will always be forthcoming at the time specified, for the use of the squadron, unless the agent can control other funds. The money is paid over by the Government in this country to the agent. He must transmit it to Europe. How is he to do it? That he cannot do it in specie, except at a heavy loss, is clearly shown in the result of the specie taken out from this country in the Cumberland frigate and sloop of war Plymouth, which gave a loss of six per cent., as per Commodore Smith's letter, (page 54, Doc. 392.) To make the remittance in produce would be a most dangerous and uncertain experiment. The only feasible mode, then, is to make the remittance in bills of exchange. This sometimes calls for a delay in this country for the purpose of obtaining bills within the rates justified by the premium the agent receives on the other side. Then, in the

transmission of bills of exchange, there are dangers and risks attending the transactions, which few, except the experienced, are aware or have any knowledge of. Commercial and other revulsions often lead to bills of exchange being dishonored, and returned to the country where drawn, under protest for non-acceptance or non-payment. This has frequently happened to the undersigned, and on one single occasion to the extent of five hundred thousand francs, which, although ultimately paid, caused delay in realizing the funds, and required other funds to meet the calls of the squadron, on account of the Government.

Nor can an agent at all times command funds when wanted, even with unlimited letters of credit to draw on London. On two occasions, before they entered into a contract for the purpose, did the house of the undersigned supply the squadron with large amounts of money, when in a state of *the most pressing emergency*, and when the regular appointed navy agent (Mr. McCall) was unable to raise the money needed, although armed with the authority of the Bank of the United States to draw and dispose of bills on London for that object. To one of these emergencies, Commodore Crane (now here) can bear witness.

The undersigned trusts that it will not escape the attention of your honorable body, and call forth its severe animadversion on the precedent that has been established by the present Executive, that individuals who crave the situation occupied by others, and seek to supersede them in the enjoyment of the same, shall be permitted to have free access to the archives of the public departments, examining their accounts with the same, and thereupon fabricating such as may answer their purpose, and lead to destroy the credit of those whom they wish to rival. Nor is this the extent of the evil. It is magnified in the fact, that after these statements and false representations have been on file in the department, been examined again and again, and as often refuted, that they should be withdrawn as *anonymous*, and withheld by the President—thus screening the guilty from exposure by the evidence furnished by themselves, and from the scorn their temerity would justly condemn them to experience from the honorable, the good, and the virtuous.

If such a course of procedure is to be tolerated, who is there with business connected with the Government that can feel the least particle of security in his private character or in his general credit? While reposing full confidence in a consciousness of his own integrity and uprightness, his character and credit are secretly undermined and whistled away before the wind by those whose object it is to get the places filled by others.

Not much less censurable is it, in the opinion of the undersigned, that men should be employed in the public offices, who, either from incompetency or carelessness, should make blunders in stating accounts of hundreds of thousands dollars, upon which statements are heralded forth, to the prejudice of an innocent party, that a discrepancy of one or two hundred thousand dollars has been discovered to exist in his accounts, when no such error was in existence.

The undersigned now rests his case in the hands of the honorable Senate, and relies upon its sense of justice for such action on it as they, in their wisdom, may deem due to him, for the wrongs he has suffered, or as is called for by the public weal at their hands.

A. FITCH.

WASHINGTON, D. C., February 5, 1845.

MEMORIAL

OF

A. FITCH,

Being a rejoinder to a memorial placed before the Senate

BY

CHARLES GOULD.

To the honorable Senate of the United States :

The undersigned has just come in possession of a memorial addressed to your honorable body, intended, ostensibly, as a rejoinder to a memorial presented by him to the Senate, and now in the hands of the Committee on Naval Affairs, to which it was referred. This memorial is signed by one Charles Gould. Of this man, or of his character, the undersigned has no knowledge whatever, except that he is a brother-in-law of Mr. S. D. Dakin.

He says, "making this appeal to your honorable body, he is actuated solely by a sense of duty to himself and to the Government." He also remarks, that "he, and he alone, as is stated in a letter appended hereto, prepared and laid before the President a statement, falsely attributed by Mr. Fitch to Mr. Dakin."

As far as the undersigned is able to judge, this Mr. Gould has been put forward for the purpose of screening those who were the sole actors in the transactions, in which the reputation, credit, and good standing of his house were concerned, referred to in the memorial before your honorable body.

How many parties there may have been concerned in the fabrication of the accounts of the house of the undersigned at Marseilles, in order, in the words of Mr. Upshur, to find "means to turn another man out of office, in order that he may get into it," the undersigned is yet unable to determine.

The undersigned, in his memorial now before your honorable body, stated that the first statement of his account that was made was prepared by Mr. Dakin. Such has been and is now the belief of himself and others. In Senate document 392, 1st session 28th Congress, page 61, Mr. C. H. Winder says: "Mr. S. D. Dakin, of New York, accompanied by Mr. A. G. Benson, came to my room in the Navy Department, and handed me a statement. At that time Mr. D. spoke of it as his statement; I so understood it to be, and so did Judge Upshur." This is also confirmed by the statement of Mr. Russell, a clerk in the department. Further and more particular information regarding the identity of the handwriting of Mr. Dakin, connected with the statement, and a letter addressed to the President, under date of the 27th February, will, as the undersigned understands, be communicated by Mr. S. D. Baker and Mr. C. H. Winder to the Senate. All these facts will enable your honorable body to judge of the degree of credence that ought to attach to the representations of this Mr. Charles Gould.

Mr. Gould claims the credit of having called the attention of the Government as to the manner in which my house had conducted the agency,

as being disadvantageous to the Government. He inquires for the authority for drawing from the Government the sums which were placed in the hands of my house, and he specially inquires the authority under which \$100,000 were placed in the hands of my house in the month of August, 1836. The answer to these inquiries is very simple. The whole was done by order of the Secretary of the Navy; or every one, the least acquainted with the regulations of the department, knows full well that every requisition on the Treasury issued therefrom must carry the signature of the Secretary of the Navy.

In his zeal to serve his employers, Mr. Gould has cast imputations of a serious character on the conduct of many men whose characters have ever been spotless and pure. Following a representation he makes, and asserting it as a fact, he says, it "is sufficient of itself, with all right-minded men, to brand with suspicion all the transactions of Mr. Fitch with the Government." Since the undersigned first entered into the contract with the Government, Mr. Woodbury, Mr. Dickerson, Mr. Paulding, and Mr. Upshur, have each presided over the Navy Department, and, by the order of each, moneys have been placed in the hands of the undersigned on account of the contract. The accounts of the undersigned have gone through the hands of the Fourth Auditor, at the head of which bureau, for a part of the time, was Mr. Kendall, Mr. Pickett, and A. O. Dayton, Esq. They also had to pass through the hands of the Second Comptroller, Governor Parris. Now, will any one suppose that, if there was that in the account and transactions of the undersigned to "brand with suspicion," it would not have been detected. The allegation of Mr. Gould charges all the above-named gentlemen with collusion, and with having been bribed.

Mr. Gould lays much stress on the fact that the contract called for the supplying of Spanish pillared dollars, while other coin was substituted in part for them. The answer to this is simple. In document 392, 1st session 28th Congress, page 54, will be found a letter from Mr. Dickerson, Secretary of the Navy, to Commodore Elliott, in which he says: "In receiving payments or requisitions from Fitch, Brothers, & Co., you will receive one-third in Spanish pillared dollars, one-third in doubloons, and one-third in five-franc pieces, at the rate they pass in Spain, as it is represented these coins can be used without detriment to the service." In addition to this, it is well known that the five-franc pieces are more valuable, according to intrinsic value, (for small disbursements,) in many parts of the Mediterranean, than Spanish pillared dollars.

Great complaint is made by Mr. Gould, because he can find no account, rendered to the Navy Department by the undersigned, to show the principle on which he based the interest account, which left a balance in his favor of \$14,468 19. He also insinuates that it has been withdrawn by the undersigned. If such accounts cannot be found in the department, it is not the fault of the undersigned. Under date of the 20th of April, 1844, he enclosed to the Secretary of the Navy a synopsis of the interest account, as well as a reconciling statement of the Fourth Auditor, showing that the accounts of Fitch, Brothers, & Co., had been adjusted up to that time, with the exception of the two small sums of \$300 and \$600, the necessary vouchers for which have since been received. On the 17th of June last, the undersigned enclosed to the Secretary of the Navy a full and complete account current, with the detailed interest account.

The undersigned will now endeavor to expose the real actors in the transactions to which he referred in the memorial already presented to the Senate.

As long ago as 1842, Mr. Gould, in a letter addressed to Mr. S. A. Allen, says, he was shown the accounts of Fitch, Brothers, & Co., made an abstract therefrom, and from that made a statement, which *he sent to the President*. This, he says, was a *confidential* letter and statement. For what reasons this letter, dated as recently as the 18th ultimo, should have been addressed to Mr. Allen, a clerk in the Navy Department, and who, as has heretofore been shown, committed a blunder of more than \$100,000 against Fitch, Brothers, & Co., in the accounts he made out, under instructions, the undersigned is at a loss to conjecture. In this letter, it is shown that Mr. Gould, the President, and Mr. Allen, are parties in the combination against the honor, character, and reputation of the undersigned. It has also been shown, on more than one occasion, that Mr. S. D. Dakin and Mr. A. G. Benson were also parties to the same confederacy. The latter named gentleman was appointed by the President to supersede my house in the agency, but the action of the Senate defeated the object.

In regard to Mr. S. D. Dakin, to whom Mr. Gould alleges that the undersigned has "falsely attributed" statements as coming from him, a brief exposition will show the light in which he should be held by all honorable men. In a letter addressed to the chairman of the Naval Committee of the Senate, under date of the 11th ultimo, he remarks: "I do not claim any credit for the development resulting from his (Gould's) investigation of the very unfavorable terms of the contract for the interests of the Government." It thus appears that it was left for the sagacity of Mr. Gould and Mr. Dakin to discover what had escaped entirely the attention of Mr. Woodbury, who made the contract, and Messrs. Dickerson, Paulding, Badger, and Upshur, who successively carried out its provisions.

In the same letter, Mr. Dakin says: "All I desire is to have the facts known, that I have almost literally had nothing whatever to do with the affair, and I am greatly surprised to learn that I was supposed to have had any agency in it whatever."

The undersigned most respectfully solicits the attention of your honorable body to the subjoined letter, going, with rushing and overwhelming proof, to condemn the veracity of Mr. Dakin, and establish, irrefutably, his blackened guilt.

The original of the following letter, in the handwriting of Mr. S. D. Dakin, addressed to one holding an important station, the undersigned has now in his possession:

BROWN'S HOTEL, May 23, 1844.

DEAR SIR: Permit me to introduce to you the bearer, Major Allen, the accountant who was appointed by the President or the Navy Department (I don't know which) to examine and report upon the accounts of Messrs. Fitch & Co. He will give you any information in his power on the subject. If he is accurate in his statement, as I believe he is, Messrs F. & Co. have held constantly an average of about \$200,000 of public money in their hands for several years past. They are not to be blamed for receiving all that is sent to them by the Government, it is true; but so large sums would hardly have been kept in their hands so long, and so regular-

ly, without *some understanding* in some quarter. If the statement is inaccurate, then, of course, there was no reason, on that score, for changing the agency. I never heard that they had been charged *as defaulters*.

Truly yours,

S. D. DAKIN.

To the imputations cast on others in this letter, as well as the intimate connexion this letter shows to have existed between Mr. Dakin and Mr. Allen, who made out one of the false accounts against Fitch, Brothers, & Co., the undersigned forbears comment.

The undersigned most respectfully asks such action of your honorable body as they, in their wisdom, may deem meet to the case, in the due execution of justice.

A. FITCH.

WASHINGTON, D. C., *March 3, 1845.*

WASHINGTON, *February 28, 1845.*

SIR: In conformity with the request contained in a note of yesterday's date, that I had the honor to receive from the Hon. James A. Pearce, I address to you a "statement of the connexion which I had with the examination of the accounts of Messrs. Fitch, Brothers, & Co., and by whose direction I made the examination; together with such knowledge as I may possess in relation to the matter."

I have before me a synopsis of the contents of a letter addressed to your committee, under date of 11th February, 1845, by Mr. S. D. Dakin, the statements in which impugn the correctness of a report which I had the honor to make to the honorable the Secretary of the Navy, dated 9th January, 1843.

In noticing the inaccuracies (to give them no harsher name) in that communication, I will embrace all the information desired by Mr. Pearce.

Inasmuch as my connexion with these affairs was purely official, I am glad that an opportunity is afforded me to vindicate my action in the matter.

The points in Mr. Dakin's letter, to which I will direct my attention, are as follows:

"1st. He says that he never desired and never applied for the office of navy agent at Marseilles.

"2d. He denies that he made out the statement of the accounts of the Messrs. Fitch, (upon which the investigation was based;) that it was made out by a Mr. Charles Gould, who assumed it in a letter to the Hon. J. W. Huntington last spring.

"3d. That all that he had to do with the statement was, simply at the request of Mr. Gould, to call on Mr. Winder, (who had reported that there was no foundation for it,) with a copy of it, to ask him to review it.

"4th. That the examination of Messrs. Allen and Baker prove that the average amount of advances in the hands of Messrs. Fitch was \$183,000 for about ten years—a result more unfavorable to the Government even than that presented by the statement.

"5th. That Mr. Winder's report, of about \$1,100 interest, is fully disproved by the subsequent examination of Messrs. Allen and Baker, which

shows that the advances were, on an average, \$183,000; that the balance of interest, therefore, for five years, enjoyed by the house, was about \$35,000; and that, therefore, the only agency I had in the matter (to wit: calling on Mr. Winder to review his examination) is proved to have been necessary for eliciting the truth.

"6th. I do not claim any credit for developments resulting from this investigation," &c.

These points embrace all that I know of this letter. I will remark, that as I did not in my report make any of the allegations denied in the first, second, and third points, it would not be necessary for me to notice them, if they had not an important collateral bearing upon the rest. It will be remarked, throughout Mr. Dakin's letter, that there is displayed a nervous anxiety to make good the assertions contained in the statement, which he is *now* so desirous to repudiate. I am strongly inclined to believe, that, when I have done with his letter, his disinterested generosity in so modestly disclaiming all "credit" for the results will be very apparent.

I will briefly dispose of the three first points in the narrative of my connexion with the examination of the accounts of Messrs. Fitch.

Early in December 1842, I came to Washington to reside, and was appointed to a clerkship in the Navy Department. Some short time after I had been there, I was informed by Secretary Upshur that it was the desire of the President that I should make a thorough examination of the accounts of Messrs. Fitch, Brothers, & Co., United States navy agents at Marseilles. He said that a statement had been handed to the President, involving serious allegations against that house, in its capacity as navy agents; that the same statement had been before placed in the hands of the President, and that the Fourth Auditor had been ordered to make an examination, whose report upon it had entirely satisfied his (Mr. Upshur's) mind, that there was no ground for the allegations against the navy agents, and he had hoped and believed that the President was satisfied; but, after the lapse of some time, the charges were reiterated by the same persons, and the President was desirous that some one not connected with the Auditor's office should make the examination. I was selected, and he stated that the result of my examination would be relied upon by the President, and would finally dispose of the question. He further stated, that the statement upon which the examination was to be based was in the hands of the President, and would be sent over to me.

Some days after, (it might have been the next,) Mr. S. D. Dakin, accompanied by a Mr. A. G. Benson, came into my office; and after Mr. Benson had expressed his gratification that I had been selected to make the examination, Mr. Dakin produced the statement, and told me that *he* had made it, and regretted that it was not more full, but assigned as a reason why it was not so, that he had only a limited access to the papers. It was intimated, in the same interview, that Mr. Dakin was the aspirant to the agency. That Judge Upshur was also under that belief, is sufficiently manifest from the endorsement he made on the Auditor's report, (see p. 28, Senate Doc. 392.) In that endorsement, he necessarily refers to the person who made the statement, and he never doubted that it was Mr. Dakin's.

I do not mean to say that Mr. Dakin's assertion *now*—that Mr. Gould is the author of the statement—is not true; but I do assert that, if it be so, he did not state the truth when he presented it to me. Nor is it at all im-

portant, whether Mr. Gould made it or not. Mr. Dakin "assumed" it, when he presented it to the President, and by every principle of justice is responsible for its contents.

It is not a little remarkable, that, in the whole course of this matter, Mr. Gould is never known or seen by any one; nor is he even heard of, until a late period, and then only by the "assumption" (that is Mr. Dakin's word) of the statement in a letter to the Hon. J. W. Huntington—a letter, if I am correctly informed, that gentleman has little or no recollection of.

I think the committee, therefore, will judge it right and proper that Mr. Dakin should be responsible for that statement, and is fully and fairly entitled to all the "credit" resulting from the developments of the examination which it produced.

I ought to have stated before, that Mr. Russell's letter (p. 62, Senate Doc. 392) proves clearly the presentation to me of the statement.

These are the circumstances under which I made the examination; and on the 9th of January, 1843, I handed my report to the Secretary, (see Senate Doc. 392, p. 24.)

I come now to the assertions in Mr. Dakin's letter, denying the correctness of the deductions in my report; and, for the sake of clearness, I will state them again. I refer, first, to the one contained under point No. 4—

"That the examination of Messrs. Alien and Baker proves that the average amount of advances in the hands of Messrs. Fitch was \$183,000 for about ten years—a result more unfavorable to the Government even than that presented by the statement."

With regard to Mr. Allen's statement, it is not at all necessary to refer to it. His recantation on page 24, Senate document 392, shows it to be utterly unworthy of confidence; besides, if I am correctly informed, he told a Senator, who expressed his astonishment that a mistake, such as referred to in his recantation, could have been made, "that he made the report as he had been ordered to do." Whether this be so or not, the report itself, together with its adjunct, the recantation, fully justifies the committee in totally disregarding it.

But how does Mr. Dakin's assertion tally with Mr. Baker's report? On page 35, (at the bottom,) Senate document 392, Mr. Baker says: "From the above statement, and a reference to the accounts accompanying this report, it will be perceived that the house of Messrs. Fitch, Brothers, & Co., have rarely had in their possession for *six months* more than the amount stipulated for in their contract, as changed by Mr. Dickerson, in 1834, and *frequently they have had much less than the amount stipulated for in the contract.*"

Such is Mr. Baker's testimony on this point. Not one syllable about "\$183,000 for ten years." The audacity with which Mr. Dakin makes an assertion to a committee of Congress, which is so gross, and so easily detected, may well cast doubt over his whole statement.

His next assertion, under point five, is in the following words:

"That Mr. Winder's report, of about \$1,100 interest, is fully disproved by the subsequent examination of Messrs. Allen and Baker, which show that the advances were, on an average, \$183,000, and that the balance therefore for five years enjoyed by the house was about \$35,000; and that therefore the only agency I had in the matter (to wit: calling on Mr. Winder to review his examination) is proved to have been necessary for eliciting the truth."

I refer again to Mr. Baker's report, to which Mr. Dakin appeals to sustain this assertion. Now, let us see what Mr. Baker says on this point, (see pp. 36 and 37, Senate document 392,) where he says:

"I have not deemed it necessary to prepare an interest account in the business transactions between the Navy Department and the house of Messrs. Fitch, Brothers, & Co. I have, however, paid *great attention* to that subject in the course of my investigation; and upon assuming, that the Government, in accordance with its agreement with Fitch, Brothers, & Co., was to be in advance \$50,000 per quarter to the 18th of November, 1834, and \$100,000 semi-annually since that time, *I have no hesitation in declaring that the balance of interest is in FAVOR of Messrs. Fitch, Brothers, & Co.*"

I beg the committee to bear in mind, that Mr. Baker's report embraces a period of about ten years, while mine goes over only five antecedent, and including three quarters of 1842. The statement upon which the investigation was based embraced three years. The Secretary thought it was sufficient to embrace a year previous and a year after that period, to ascertain fully the truth of its allegations. Hence the difference between Mr. Baker and myself. I made the balance of interest about \$1,163 against the Messrs. Fitch.

Now, the quotations I have made from Mr. Baker's report prove, most conclusively, that Mr. Dakin's assertion, that the advances were, on an average, \$183,000 for ten years, is wholly unfounded; and that his deduction, therefore, that they enjoyed about \$35,000 interest for five years, is false. But his appeal to Mr. Baker fails farther; for instead of their deriving any benefit in the shape of interest at all, and instead of the advances being \$183,000, they were, in the long run, so far short of the amount stipulated for in the contract, that Mr. Baker "has no hesitation in declaring that the balance of interest is in favor of Messrs. Fitch, Brothers, & Co."

There is another fact in Mr. Baker's report, to which I beg to call the attention of the committee.

He says, page 37 Senate document 392: "It appears from a communication made to the President, dated 27th February, 1844, by Mr. S. D. Dakin, that Messrs. Fitch, Brothers, & Co., made a charge to the Government of \$37,471 15 for extra commissions." "This charge," says Mr. Baker, "is unfounded."

This is an important fact. This letter of Mr. Dakin is dated on the very day Mr. Allen's report was handed to the President, and reiterates one of the very charges, if not all—for the letter has never seen the light since Mr. Baker sent it back—I cannot, therefore, speak, as to the rest. What a strange solicitude has Mr. Dakin displayed to sustain Mr. Gould's statement, with which he says "he had almost literally nothing to do, and is surprised that it should be supposed he had any agency in the matter." Who, let me ask, *had* any agency in the matter? Who presented it? Mr. S. D. Dakin. Who was prominent on all occasions when this now repudiated offspring showed its head above the turbid stream of intrigue, and watched its course with such tender solicitude? Mr. S. D. Dakin. When did Mr. S. D. Dakin abandon it? Not until it had received the decided condemnation of three reports, and was dragged to public view by the Senate; then, and *not till then*, did it find a new father, and its legitimacy was "*assumed*;" but it found a father only to breathe in his arms its expiring breath.

Such as I have stated it, and as the committee will find it to be, is the

testimony of Mr. Baker, appealed to by Mr. S. D. Dakin to sustain the statements contained in his letter to the committee of the 11th February, 1845. After all, I don't see why Mr. Dakin should be so sensitive about the paternity of the statement, for this letter is its twin brother.

The committee cannot fail to see that the report of Mr. Baker does not afford the slightest foundation for Mr. Dakin's allegations; on the contrary, had Mr. Baker been called upon to make an examination into these specific assertions, he could not possibly have given them a more pointed and explicit contradiction.

The only desire I have in this matter is, to sustain my official action, and to shield it from unjust imputations. Up to the time that I made my report, and for ten or twelve days after, I never laid eyes on Mr. Fitch, or any one connected with him or his house. Some time after I had made my report, a gentleman came into my room at the Navy Department with an order from the Secretary to me to furnish him with a copy of it. He announced himself as Mr. Fitch; this was the first time I had ever seen him.

With regard to the action of the Executive in his case, I have nothing to do; it is not my province to speak of it. My object is merely to satisfy the committee that I have correctly performed my official duty; and that I think I have accomplished.

There have been no less than four reports made upon this subject—first by the Fourth Auditor; then by myself, by order of Secretary Upshur; after that, by Mr. Allen, by order of Mr. Henshaw; and, lastly, by Mr. Baker, by order of Secretary Mason. Three of these reports confirm each other, to wit: the Auditor's, Mr. Baker's, and mine. If Mr. Allen's came before the committee perfectly free of taint, and under circumstances of the most favorable construction possible, it would be entitled to no regard, overborne as it is by the concurrent reports of three others, who are, individually, entitled to at least as much weight as Mr. Allen. But I contend that his report ought to be regarded with something more than suspicion. That an item, so trifling, of \$100,000, in an account current, should escape the attention of an examining accountant, is indeed passing strange, and inexplicable, unless it be true "that he made the report as he was ordered."

I have thus stated, as briefly as I could, the connexion I had with the examination of Messrs. Fitch, Brothers, & Co.'s accounts. I now ask the committee to do me the justice to spread this letter in their report, and that Mr. Dakin's may be placed in juxtaposition. I court strict and impartial justice between Mr. Dakin and myself. If he be right, it is but just and proper that it should appear; and I only claim the same measure of justice for myself.

Whether Mr. Dakin, to use his own language, is entitled to any "credit for the developments resulting from this investigation of the unfavorable terms of the contract to the interests of the Government;" whether he has shown that "he had almost literally nothing to do with the affair;" and whether he has any reason to be "surprised to learn that it was supposed that he had any agency whatever in the matter"—it will not be difficult for him who reads to decide.

I have the honor to be, very respectfully, your obedient servant,
CH. H. WINDER.

Hon. R. H. BAYARD,

Chairman Committee on Naval Affairs, Senate U. S.

WASHINGTON, *March 1, 1845.*

SIR: In compliance with the request of the Hon. Mr. Pearce, I herewith furnish you with some information in relation to my examination of the account existing between the Navy Department and Fitch, Brothers, & Co., formerly United States navy agents at Marseilles.

In consequence of an alleged discrepancy in the state of the accounts, they were, in March last, superseded in that agency, and subsequently another was appointed in their place. A short time after the appointment of the Hon. John Y. Mason as Secretary of the Navy, he directed me to make an examination of the account, and report to him; at the same time he placed in my hands the papers relating to the business transactions between the department and the Marseilles agency, consisting of the following: an agreement between the Navy Department and Fitch, Brothers, & Co., dated 7th December, 1833—appended to the agreement was the certificate of the United States district judge of the southern district of New York, also an endorsement of the Secretary of the Navy (Mr. Dickerson) on the agreement; (see Senate Doc. 392, pp. 2, 3, 4, 1st session 28th Cong. ;) a letter from President Jackson in relation to the Mediterranean squadron, (p. 4;) a bond of Fitch, Brothers, & Co., and certificate of the United States attorney for the district of Connecticut, (pp. 4, 5;) two letters from the Secretary of the Navy (Mr. Henshaw) to S. A. Allen, Esq., (pages 11 and 12;) the report and statement of Mr. Allen, in relation to Fitch, Brothers, & Co.'s account with the Navy Department, (pages 12 to 23;) the report of C. H. Winder, Esq., upon the same subject, (pages 24, 25, and 26;) a statement of sums advanced to and payments made by Fitch, Brothers, & Co., from June, 1838, to November 24, 1841, inclusive, (pages 27 and 28,) with an endorsement of Secretary Upshur thereon; a reconciling statement of Fitch, Brothers, & Co.'s account, prepared by the Fourth Auditor, (page 33;) a statement of Fitch, Brothers, & Co.'s account, attributed to Mr. S. D. Dakin, (pages 62, 63, 64;) a letter addressed by Mr. Dakin to the President, on the 27th February, 1844, in relation to the account, which does not appear in the Senate document before referred to. Afterwards I obtained from the Fourth Auditor the vouchers in relation to the business transaction between the Navy Department and the agency; and from the Secretary of the Navy an account current and interest account, sent to him by A. Fitch, Esq.

From the above-mentioned papers, I made a report and a statement of the account, from the commencement of the agency to the 2d November, 1843, inclusive.

When the Secretary of the Navy placed the papers relating to the agency in my hands, he desired me to construe the meaning and intention of the contract, as I understood it. In my examination of the contract, I followed his directions, and came to the conclusion, that prior to the 18th November, 1834, the department was to be in advance to the agency \$50,000 per quarter, and from the 18th November, 1834, it was to be in advance \$100,000 semi-annually. There was no mention made in the contract entered into by the respective parties upon the subject of *interest*. I therefore inferred that no interest was to be charged by either party; and in case a claim for interest were set up by either, it could only be considered in the light of an *equitable* claim, and not by any means based upon the contract itself.

From the fact that Secretary Upshur allowed Fitch, Brothers, & Co. \$2,369 71 as extra premium for heavy advances made by them in the early stage of the agency, Mr. Allen inferred that the department had the right to charge the agency interest upon the sums advanced to it by the department. The inference deduced by Mr. Allen is, in my judgment, perfectly correct. If, however, interest were properly chargeable, Mr. Allen and myself differ (in regard to the advances made F., B., & Co.) very materially as to the *time* when it should commence. He assumed fifteen days after the deposit was made in New York. I considered that it should not properly commence until three months after the deposit was made, to the 18th November, 1834, (when the nature of the advances was changed to \$100,000 semi-annually;) and after the 18th November, 1834, interest would not be properly chargeable until six months after the deposit was made in New York. If Mr. Allen's construction of the contract be deemed correct, the balance of interest is in favor of the department; if, however, my construction be deemed correct, then the balance of interest is in favor of F., B., & Co. But as the contract did not, in my judgment, contemplate the payment of interest by either party, I considered it unnecessary to furnish the Secretary of the Navy with a statement upon that subject.

As Mr. Allen's statement and my own differ so much in regard to the amount of Government money in F., B., & Co.'s hands, I will endeavor to explain the reason of the difference. It will be perceived, by reference to the statement of the account prepared by him, that he divides the whole into five parts, terminating, respectively, August 19, 1836, July 15, 1837, June 13, 1838, August 1, 1842, and January 6, 1843. He says, (page 13:) "Balance due the United States, August 19, 1836, \$228,088 75." Upon an examination of the account, (prepared by him,) it will be perceived that \$100,000 of that sum was advanced to the agency on the *19th August*, 1836, and consequently was not, according to contract, due until 19th February, 1837. Besides, \$13,500 was paid by F., B., & Co., before the 19th August, 1836, independent of the other credits allowed by him in his account No. 1.

He says, again, (same page:) "Balance due the United States, July 15, 1837, \$219,572 62." It will be perceived, upon referring to his account, Nos. 2 and 3, that before the 15th July, 1837, Fitch, Brothers, & Co. paid \$133,000 *more* than the sums which Mr. Allen places to their credit in his account No. 2.

He says, again, (same page:) "Balance due United States August 1, 1842, \$203,538 90." Of this sum it will be perceived that \$100,000 was advanced to the agency on the *1st August*, 1842, and consequently not due for six months thereafter; and, moreover, F., B., & Co. paid, besides the credits allowed by Mr. Allen in his account No. 4, \$55,462 before the 1st August, 1842. Mr. Allen's mode of stating the average amount of Government money in F., B., & Co.'s hands differs so materially from my own, that I refer you to page 35, (Senate document, before referred to,) where you can at a glance *discover the state of the account for every year, from the commencement of the agency until November, 1843.*

From all the consideration and attention which I have paid to the subject, I do not suppose the average amount of money in Fitch & Co.'s hands exceeded \$90,000; upon that subject, I refer you particularly to page 35, above referred to.

The anonymous statement of the account which has been attributed to Mr. Dakin differs so materially from every other statement made, that there is no room to doubt of its incorrectness.

I am not aware of the fact that *that* statement was actually prepared by Mr. Dakin. It was, however, in his handwriting, if a remarkable resemblance between the handwriting of that statement and the handwriting of the letter which he addressed to the President in February, 1844, (in relation to the account,) can be considered any evidence of the fact.

In conclusion, I beg leave to say that, in examining the account of Fitch, Brothers, & Co., with the department, I paid no attention to the opinions of others who examined the account before the papers were placed in my hands, except an opinion of the Fourth Auditor in relation to the subject of interest, as connected with the disbursing agents of the Government, which opinion has been embraced in my report. I had no acquaintance with Mr. Fitch—indeed, did not see him until some time after I presented my report to the Secretary.

I have the honor to be your obedient servant,

SAMUEL D. BAKER.

Hon. R. H. BAYARD,

Chairman Committee on Naval Affairs, U. S. Senate.

SENATE CHAMBER, *March 3, 1845.*

SIR: Your letter of the 1st instant, in relation to your agency in the examination of the accounts of the house of Fitch, Brothers, & Co., as navy agents at Marseilles, has been received.

In order that the whole subject may be before the committee, I have to request that you will communicate to me a copy or a statement of the contents of the letter from S. D. Dakin, Esq., to the President of the United States, dated February 27, 1844, and which is not among the documents ordered by the Senate to be printed at their last session.

Very respectfully, &c.

RICHARD H. BAYARD,

Chairman, &c.

SAMUEL D. BAKER, Esq.,

Washington.

WASHINGTON, *March 3, 1845.*

SIR: Yours of this day has been received; and agreeably to your request, as chairman of the Committee on Naval Affairs, I herewith furnish you with what knowledge I possess in relation to the letter addressed by Mr. S. D. Dakin to the President on the 27th February, 1844, to which I alluded in my report to the Secretary of the Navy of the 29th April, 1844.

That letter was in my possession when I examined the account existing between the Navy Department and Fitch, Brothers, & Co., United States navy agents at Marseilles. A few weeks after my examination of the

account, I, from memory, wrote out the contents of the letter to the best of my recollection. It is from that which I now copy.

It commences somewhat as follows: "What I mentioned to your excellency some two years since, (respecting Fitch & Co.'s accounts,) you will find fully substantiated by the statement of their account prepared by Mr. Allen." In another part of the letter he states: "They (Fitch, Brothers, & Co.) have received, in commissions and balance of interest against them, something like \$150,000—a sum amounting to nearly as much as the President of the United States receives from the Government for his services."

In another part of the letter he states: "The allegation that Fitch, Brothers, & Co., made a charge to the department of \$34,187 22, for commissions, is not sustained by any thing that I can discover on the files of the Auditor's office." The above is a quotation from Mr. Winder's report to the Secretary of the Navy. He (Mr. Dakin) then says: "Your excellency will perceive that *that* charge is fully *sustained to the letter* by Mr. Allen's investigation of their (Fitch, Brothers, & Co.) accounts." Mr. Dakin then makes another extract from Mr. Winder's report: "The only breach of contract or irregularity that I can discover has been on the part of the Government, in not constantly keeping the agents in funds to meet the public liabilities, owing either for want of funds, or a retard in the passage of appropriation laws by Congress. This cause operated from November, 1841, to August, 1842; during which time, the agency seems to have met all the demands of the squadron with punctuality and cheerfulness, and this too in a time of great moneyed distress." Mr. Dakin, in commenting on the above quotation, uses something like the following language: "It will appear, from Mr. Allen's statement, that at the time above mentioned, (viz: from November, 1841, to August, 1842,) Fitch, Brothers, & Co., had in their hands, of Government money, from \$130,000 to \$230,000; so that your excellency will perceive that they (Fitch, Brothers, & Co.) might well meet all the demands of the squadron with punctuality and cheerfulness, and that too in a time of great moneyed distress."

Mr. Winder, at the conclusion of his report, uses the following language: "The accuracy and regularity of the accounts reflect the highest credit upon the agency and the Fourth Auditor." Mr. Dakin, in commenting on the above sentence, says: "The account does not reflect credit upon either, nor upon Mr. Winder himself."

I have thus given you, to the best of my knowledge, the purport of the letter from Mr. Dakin to the President, of the 27th February, 1844, in relation to the Marseilles agency.

I have the honor to be your obedient servant,

SAMUEL D. BAKER.

Hon. R. H. BAYARD,

Chairman Committee on Naval Affairs, U. S. Senate.

WASHINGTON, February 11, 1845.

DEAR SIR: Having just seen a memorial, signed by a Mr. Asa Fitch, in which he makes several gross misstatements in regard to me, I take the liberty of addressing you briefly, to state—

1st. That *I never desired and never applied* for the office of naval agent at Marseilles, which he held.

2d. That *I did not* make out the statement of his account, about which he complains; but that it was made out by Charles Gould, Esq., of New York, a highly respectable banker, son of the late eminent jurist, Judge Gould, of Connecticut, whose assumption of it has been made in a letter to the Hon. J. W. Huntington, of the Senate, written last spring, to whom I refer for the truth of this assertion. All I ever had to do with the statement was simply, at the request of that gentleman, to call on Mr. Winder, who had reported that there was no sort of foundation for it, with a copy of it, to ask him to receive it.

3d. Even if I had made out the statement, or vouched for it, (neither of which I did, for I knew nothing about the subject personally,) I would call your attention to the fact, that the statement in question did *not* affect the *credit* of the house of Mr. Fitch in any way whatever, but merely showed that his method of doing business was disadvantageous to the Government; that the only error it contained was as to the *amount* of Government money in the hands of the house, making it out to be some \$400,000 for three years, whereas the examinations made by Messrs. Allen and Baker proved that it was an average of \$183,000 for about TEN years—a result even more unfavorable to the interests of the Government than that presented by the statement; that the report of Mr. Winder, stating that the house did not hold any considerable advances of public money, and the balance of interest for such advances for five years, inclusive, was only about \$1,100, is fully disproved by the subsequent examinations both of Mr. Allen and Mr. Baker, which show that these advances were on an average constantly about \$183,000, and the balance of interest therefor for said five years enjoyed by the house was about \$35,000; and that therefore the only agency I ever had in the matter (to wit: calling on Mr. Winder to review his examination) is proved to have been necessary for eliciting the truth.

I know nothing of this Mr. Fitch or his concerns. I do not claim any credit for the development, resulting from this investigation, of the very unfavorable terms of his contract to the interests of the Government at the present day, when communication is so rapid across the Atlantic. All I desire is, to have the fact known that I have almost literally had nothing whatever to do with the affair; and I am greatly surprised to learn that I was supposed to have had any agency in it whatever. Mr. Fitch has been misled by the trivial circumstance above alluded to; at least, I will be charitable enough *not* to impute to him any unworthy motives, although *I have* interests liable to be affected by *prejudice, and affording a tempting mark for BLIND anger and RECKLESS vengeance.*

I rely on you, my dear sir, to set this matter right before the committee and the Senate, so far as I am concerned.

And I am, most respectfully, your obedient servant,

S. D. DAKIN.

Hon. R. H. BAYARD, *Chairman, &c.*

WASHINGTON, *February 10, 1845.*

SIR: A memorial, presented to the Senate some days since, on behalf of my house at Marseilles, and signed by me, was referred to the honorable Committee on Naval Affairs, of which you are the chairman.

I trust that I have, by the facts contained in that memorial, succeeded in satisfying every one, that while my house, on all occasions, acted the part of true and faithful agents, and manifested the greatest zeal and fidelity in behalf of the Government and the public service, their feelings have been most wantonly outraged, their character aspersed, and their credit most cruelly assailed, by those who were laboring to supplant them in the agency they held, under the sanction of high authority, and aided with the exercise of extraordinary and peculiar privileges.

Under these circumstances, I have been left with no other mode but to make application to the honorable Senate of the United States for *justice*; though promised, yet withheld in another quarter.

It is true, as I state in the memorial to the honorable Senate, that I have withheld, of the funds in the hands of my house, the sum of about \$14,000, to reimburse us for balance of interest due for moneys advanced at various times for the account of the Government, to meet the exigencies and to accelerate the operations of the public ships in the Mediterranean. Yet when it shall have been decided by a judicial tribunal, of which I do not entertain a doubt it will be, that we are in justice as well as in equity entitled to it, that will be no compensation, and will accomplish but little towards redressing the injuries experienced and the wrongs inflicted on the character, standing, and reputation, of my house, by the course of measures authorized and adopted, of which we complain.

Money, under the circumstances, is of no consideration with us. That will not heal yet bleeding feelings, remove suspicions that may have been cast on credit, nor afford satisfactory reparation for the many injuries that were caused by the proceedings referred to.

We want but justice—we solicit nothing more. We ask to be reinstated in the agency from which we were so unjustly and underhandedly ejected. In asking for this gratification, we do it, first, because we consider that it is an immunity which we have a just right to claim for services rendered; and, secondly, while with all proper modesty and diffidence I make the asseveration, that if the public interest should not be promoted, it will in no manner be impaired by such act of restoration.

It has been shown, officially, that prior to the contract made with my house to perform the duties of receiving the money in this country, and paying it over to the squadrons in Marseilles, as wanted, for a premium of 4½ per cent., the expenses attending the supplying of the funds wanted there amounted to more than 8½ per cent. In an experiment, recently made, in the belief and expectation, as I have understood, of providing funds at a less cost to the Government than the premium paid to us, by sending specie from this country, on board the frigate Cumberland and sloop of war Plymouth, the actual expense and loss, in exchanging it for such coin as was current in the Mediterranean, were from 6 to 8 per cent. These facts present pretty strong, and I should think pretty conclusive, evidence, that pecuniary considerations can weigh but lightly with us in being desirous of being restored to the agency in question. Nor can the gain accruing from extending the hospitalities of our private dwellings to the officers of the navy, whenever they visit Marseilles, and keeping our

doors open there to all Americans of character, when they go there, cause us to desire the agency. More important considerations than mere profit, if any attended it, cause us now to feel an anxious desire to be restored.

I am perfectly aware that the functions of the Senate in appointments are confined to the supervision of the nominations of the Executive. Nevertheless, I presume that the Senate can give an expression of opinion, of such character as they may deem proper, in any case existing between an individual who may memorialize that body and the Executive, by the adoption of a report and resolution of one of its committees, which might have a proper weight and influence with another Executive Chief Magistrate.

I have taken the liberty of thus placing before you my views, and I may say wishes, indirectly, to a certain extent.

In conclusion, I most respectfully ask that the honorable committee of which you are the chairman will, after a due investigation of the facts contained in my memorial, adopt such course as may to them seem proper, and lead to some action of the Senate, in giving an utterance of opinion of that body, as to the wrongs which my house has experienced, as well as the redress which, in the administering of equity and justice, they are entitled to receive.

I am, very respectfully, your obedient servant,

A. FITCH.

Hon. R. H. BAYARD.

Letter referred to in the memorial of Charles Gould, of the city of New York, in relation to the accounts of Fitch, Brothers, & Co., and the charges brought forward in the memorial of A. Fitch.

NEW YORK, *February* 18, 1844.

SIR: I have been requested to relate the facts in regard to the original statement (shown to the President in the summer of 1842) of the accounts of Messrs. Fitch & Co., of Marseilles, agents of the United States. I am willing to make these facts public, but must preface my statement with the remark, that I have long since destroyed the original memoranda, under the supposition that they could never be of any use, even for reference. I had, besides, ceased to feel any interest in the matter; and I never imagined that Mr. Fitch would call it up, and charge it as a *wrong* inflicted on himself or his house.

In the spring or summer of 1842, I called at the Navy Department, and, at my request, was shown the accounts of Messrs. Fitch & Co. and the accompanying vouchers. From these accounts I made a hasty abstract, from which it appeared that the agency was lucrative, and that it gave to the persons employed the constant use of large amounts of money. I called the succeeding day at the department, and, on a further investigation, ascertained, from the *original vouchers, then on file*, that the funds constantly retained by the agents were more than I had at first supposed. I made an abstract of the accounts, and compared it with, and corrected it by, the *vouchers*. From this abstract I made a statement, which I sent to the President; with a letter mentioning that I had made the abstract in great haste, that it might be incorrect in some of the details, but that I believed the principal points were correct; and, in conclusion, requested that an investigation might be made by the proper officers as to the correctness of my

statement. This was a *confidential* letter and statement; and the manner in which it was made, and the request contained in the letter, show, conclusively, that it was not done with the intention of injuring Messrs. Fitch & Co. Soon after this I left Washington, and business of another character occupying my time, I lost sight of this matter; and, considering that I had no further interest in it, destroyed my memoranda.

A long time (I should think about a year) afterwards, a friend informed me that Mr. Winder had examined my statement, and pronounced it utterly incorrect. Having no interest in the result of the investigation, I paid no attention to Mr. Winder's report; though well aware that either he never saw *my* statement, or that he never made his report from the vouchers which were shown to me as, and which I believe were, the original vouchers of those accounts. Subsequently I learned that another investigation showed that the statement, though declared wrong by Mr. Winder, was in the main correct; and afterwards I learned that still another examination showed that the principle claimed in my statement was correct. Whether or not the statement on which these contrary reports were made was mine, I have no means of ascertaining; but, presuming that it was, I am pleased to know that my positions were correct, and that close investigation has shown them to be true.

It is perhaps proper to add, that the investigation and statement of the accounts were made for my own purposes, at my own instance, and without the request or even knowledge of any third person whatever.

Respectfully, your obedient servant,

CHARLES GOULD.

S. A. ALLEN, Esq., *Washington, D. C.*